

STATE OF NEVADA
GAMING CONTROL BOARD

CPA MICS COMPLIANCE CHECKLIST

ENTERTAINMENT

Client _____ **Audit** _____ **Prepared**
Name: _____ **Period:** _____ **By:** _____

NGC Regulation 6.090(9) requires the CPA to use “criteria established by the chairman” in determining whether a Group I or Group II licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee’s entertainment operations are in compliance with the Entertainment Minimum Internal Control Standards.

Indicate licensee personnel contacted:

Date of Inquiry	Person Interviewed	Position

Unless otherwise instructed, examine a completed document for compliance for those Questions referring to records/documentation (denoted by underlined question numbers in bold print), recalculating where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used:

_____ Confirmed via examination/review
_____ Confirmed via inquiry
_____ Confirmed via observation

Entertainment areas are defined in NRS 463.401 and Regulation 13, and include showrooms, lounges, adjacent bars when entertainment can be clearly seen and heard, areas where dancing is permitted and piano bars when singing is allowed. Note that poolside and beach activities are never taxable.

List all areas subject to casino entertainment tax:

STATE OF NEVADA
GAMING CONTROL BOARD

CPA MICS COMPLIANCE CHECKLIST

ENTERTAINMENT

	<u>Yes</u>	<u>No</u>	<u>W/P Ref.</u>
<i>Entertainment Sales Controls</i>			
1. Are all sales in areas subject to casino entertainment tax recorded in such a manner as to be readily identifiable by individual sale, in total, and by area for applicable periods of entertainment status? Describe how.	_____	_____	_____
2. Are all sales identifiable by type (i.e., taxable, nontaxable and complimentary)?	_____	_____	_____
3. Is internal cash register tape/information inaccessible to bartenders/cashiers (e.g., keys are maintained by an individual independent of these functions)?	_____	_____	_____
4. Do all cash register overrings or admission ticket voids require the authorization and verification of the shift supervisor or another individual independent of the transaction?	_____	_____	_____
5. Do all food, beverage, and admission complimentaries require the authorization of appropriate personnel?	_____	_____	_____
6. Is the computation of cash proceeds for each bartender/cashier documented, verified, and signed by at least two employees?	_____	_____	_____
7. Are the bartenders'/cashiers' banks reconciled to the entertainment sales with an investigation being performed into large cash overages or shortages?	_____	_____	_____
8. Are show admission tickets safeguarded, and are appropriate procedures employed in the distribution, use and control of same? State procedures.	_____	_____	_____

Package Programs

9. If package programs and/or discount show tickets are used, is the following documentation maintained:			
a. Copies of the package programs, discount show tickets, fliers, and price breakdowns?	_____	_____	_____

Note: For licensees that elect to pay casino entertainment tax on

STATE OF NEVADA
GAMING CONTROL BOARD

CPA MICS COMPLIANCE CHECKLIST

ENTERTAINMENT

	<u>Yes</u>	<u>No</u>	<u>W/P</u> <u>Ref.</u>
retail, price breakdowns are not required for package programs.			
b. Effective dates of the above items?	_____	_____	_____
c. Number of packages/tickets sold by type?	_____	_____	_____
d. Retail price of each item in the packages (a reasonable monthly estimate/average will be acceptable)?	_____	_____	_____
<i>Accounting Standards</i>			
10. Are the dates and time periods during which taxable entertainment is provided documented?	_____	_____	_____
Note: The above information may be documented by a department other than accounting. State the department.			
11. Are entertainment contracts, if used, reviewed and reconciled to the periods during which entertainment sales are made?	_____	_____	_____
Note: A reconciliation is not necessary for locations with a consistent and routine showroom/lounge entertainment schedule which is documented and retained.			
12. If less than 2,750 tickets are sold for an event and the event is determined to be nontaxable, are records maintained supporting the nontaxable status?	_____	_____	_____
13. For licensees that report entertainment revenue based on admission tickets redeemed, are records maintained that reconcile show admission ticket sales to redeemed tickets, by type of ticket?	_____	_____	_____
14. Are food and beverage summaries reviewed to verify the propriety of complimentary charges?	_____	_____	_____
15. Are recording procedures for entertainment sales (see Question 1) monitored for correctness at least monthly by someone independent of those procedures?	_____	_____	_____
Note: Question 15 does not apply to Group II licensees.			
16. Are all entertainment period sales, including complementaries,			

STATE OF NEVADA
GAMING CONTROL BOARD

CPA MICS COMPLIANCE CHECKLIST

ENTERTAINMENT

	<u>Yes</u>	<u>No</u>	<u>W/P</u> <u>Ref.</u>
summarized and posted to the accounting records?	_____	_____	_____
17. For locations with non-computerized entertainment sales systems, are all cash register tapes reviewed to ensure the register was totaled/subtotaled properly?	_____	_____	_____
18. For each entertainment area, at least annually do accounting personnel foot individual sales subject to casino entertainment tax (i.e., on the cash register tape or the computerized system transaction report), trace the total to the total on the tape/system and document and maintain any variances?	_____	_____	_____
Note: Board approved software may be used to perform this requirement.			
19. Is documentation (e.g., a log, checklist, etc.) maintained evidencing the performance of all entertainment accounting standards?	_____	_____	_____